

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7061**

**BILL NUMBER: SB 232**

**NOTE PREPARED: Feb 20, 2004**

**BILL AMENDED: Feb 19, 2004**

**SUBJECT:** Real Estate Brokers and Salespersons.

**FIRST AUTHOR:** Sen. Server

**FIRST SPONSOR:** Rep. Austin

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill provides that an out-of-state commercial broker or salesperson licensed in another state may practice in Indiana without an Indiana license if the out-of-state commercial broker or salesperson meets certain requirements. It provides that a licensed nonresident broker may act as a broker in Indiana if the broker meets certain requirements.

**Effective Date:** Upon Passage.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** (Revised) This bill allows an out-of-state commercial broker or out-of-state salesperson to perform, without a license, acts related to commercial real estate that would otherwise require an Indiana license. Such a commercial broker or salesperson must meet certain requirements, such as working in cooperation with a broker that is licensed in Indiana. This provision could potentially have a fiscal impact on the Professional Licensing Agency if less revenue is generated due to out-of-state commercial brokers or salespersons not seeking licensure in Indiana.

*Background* - Currently, a broker license costs \$50 and a salesperson license costs \$25. An additional fee, that may not exceed \$15, may be attached to the license cost for deposit in the Real Estate Recovery Fund. Fees for licenses issued under the Real Estate Commission generated \$1M in FY 2003 and \$725,000 in FY 2002. As of August 2002, the Real Estate Commission regulated approximately 47,000 broker and salesperson licenses.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Professional Licensing Agency.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Valerie Ruda, 317-232-9867.